

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 SP-02 STR-07 TRSE-00 LAB-04
SIL-01 OMB-01 DODE-00 PM-05 L-03 ACDA-12 PA-01
SS-15 ICA-11 /102 W
-----079077 151808Z /47

R 151658Z JUN 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 7306
INFO ALL EC CAPITALS
USMISSION USNATO

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USEEC

E.O. 11652: N/A
TAGS: EEC, EP, PERP, MMOL
SUBJ: EUROPEAN PARLIAMENT DISCUSSES EUROPEAN ARMS
PROCUREMENT COOPERATION

REFS: (A) BRUSSELS 10596 (B) BRUSSELS 10480
(C) BRUSSELS 4160

1. BEGIN UNCLASSIFIED. SUMMARY: ON JUNE 13-14, EUROPEAN
PARLIAMENT (EP) DEBATED AND ADOPTED REPORT OF ITS
POLITICAL COMMITTEE ON EUROPEAN ARMS PROCUREMENT COOPERA-
TION (KLEPSCH REPORT--REFTELS). THE DEBATE WAS MARKED
BY SHARP CLEAVAGE BETWEEN THE PROPONENTS OF A COMMON
INDUSTRIAL POLICY IN THE MILITARY SPHERE AND THOSE
ARGUING THAT ARMS POLICY OF ANY KIND IS OUTSIDE THE
SCOPE OF THE COMMUNITY'S RESPONSIBILITIES. IN PRESENTING
HIS REPORT, GERMAN CHRISTIAN DEMOCRAT KLEPSCH DENIED ANY
INTENTION TO TRY TO SUPERSEDE OR UNDERMINE THE WORK OF
NATO OR OTHER INTERESTED BODIES (I.E., IEPG). EC COUNCIL
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REPRESENTATIVES DID NOT PARTICIPATE IN THE DEBATE. SPEAK-
ING ON BEHALF OF THE EC COMMISSION, COMMISSIONER DAVIGNON
TROD A FINE LINE, EXPRESSING SUPPORT OF THE BASIC IDEA OF
A COMMON INDUSTRIAL POLICY IN THE MILITARY FIELD AS BEING
NECESSARY TO EC INDUSTRIAL DEVELOPMENT AND NOT CONTRARY
TO THE RELEVANT EC TREATIES, WHILE NOTING THAT ANY
COMMUNITY ACTION IN THIS AREA WOULD REQUIRE CAREFUL STUDY.

END SUMMARY.

2. AS REFTELS PREDICTED, THE KLEPSCH REPORT ELICITED CONSIDERABLE CONTROVERSY IN THE EUROPEAN PARLIAMENT'S JUNE PLENARY SESSION, AS POLITICAL GROUPS CHOSE SIDES ON THE ISSUE OF WHETHER THERE SHOULD BE A COMMON EC ARMS PROCUREMENT POLICY. THE EP WAS SHARPLY DIVIDED AS CHRISTIAN DEMOCRAT, LIBERAL, EUROPEAN CONSERVATIVE AND ITALIAN COMMUNIST GROUPS ARGUED IN FAVOR OF THE COMMON ARMS PROCUREMENT POLICY AS A MEANS OF ACHIEVING AN OVERALL EC INDUSTRIAL POLICY. ON THE OTHER SIDE, THE SOCIALISTS, EUROPEAN PROGRESSIVE DEMOCRATS (GAULLISTS), AND FRENCH COMMUNISTS ARGUED THAT THE WHOLE QUESTION FELL OUTSIDE THE SCOPE OF THE COMMUNITY'S COMPETENCE BECAUSE IT DEALT WITH MATTERS OF DEFENSE WHICH SHOULD PROPERLY BE HANDLED EITHER BY INDIVIDUAL NATIONAL PARLIAMENTS OR BY NATO.

3. IN INTRODUCING HIS REPORT, KLEPSCH ARGUED THAT GREATER EUROPEAN COOPERATION IN THE ARMAMENTS FIELD WOULD:
(1) ACHIEVE SUBSTANTIAL ECONOMIES IN ARMAMENTS PRODUCTION;
(2) ASSURE GREATER INTEROPERABILITY AND/OR STANDARDIZATION OF WEAPONS; (3) SAFEGUARD EUROPEAN DEFENSE; (4) MAINTAIN EMPLOYMENT; AND (5) ENSURE WORLDWIDE COMPETITIVENESS. HE ADDED THAT THE U.S. PROPOSAL FOR A "TWO-WAY STREET" IN ARMS PROCUREMENT COULD ONLY BECOME EFFECTIVE IF EUROPE WERE IN A POSITION TO SELL ARMS TO THE U.S. AND CANADA
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ON A COMPETITIVE BASIS. MOREOVER, HE SAID THAT IT IS HARDLY POSSIBLE TO IMAGINE HOW A COMMON EC INDUSTRIAL POLICY COULD BE BROUGHT INTO BEING WITHOUT ALSO TAKING INTO ACCOUNT THE VITAL ROLE AND CLOSE INTER-RELATIONSHIPS BETWEEN MILITARY AND CIVILIAN PRODUCTION AND SALES, PARTICULARLY IN THE AIRCRAFT, SHIPBUILDING AND ELECTRONICS INDUSTRIES. IN ANTICIPATING POSSIBLE OBJECTIONS LIKELY TO BE RAISED DURING THE COURSE OF THE DEBATE, KLEPSCH SAID THE PURPOSE OF HIS REPORT IS NOT TO IMPEDE EAST-WEST DISARMAMENT EFFORTS OR TO CREATE A NEW MILITARY-INDUSTRIAL COMPLEX IN EUROPE. HE CONTINUED THAT THERE IS NO INTENTION OF INTERFERING WITH NATO OR UNDERMINING ITS WORK IN THIS FIELD OR THAT OF THE IEPG. RATHER, HE SAID THE AIM IS FOR THE EC NINE TO SO STRUCTURE THEIR PRODUCTION THAT MILITARY REQUIREMENTS CAN BE EFFECTIVELY, ECONOMICALLY, AND RATIONALLY MET BY A SINGLE COORDINATED ARMAMENTS INDUSTRY.

4. SPEAKING ON BEHALF OF THE EP'S ECONOMIC COMMITTEE, BRITISH CONSERVATIVE NORMANTON SUPPORTED THE KLEPSCH REPORT, DRAWING PARTICULAR ATTENTION TO THE FINANCIAL STRAIN ON MEMBER STATES ACTING ALONE IN DEVELOPING THEIR DEFENSE CAPABILITIES. SPOKESMEN FOR THE CONSERVATIVE, LIBERAL,

ITALIAN COMMUNIST AND CHRISTIAN DEMOCRAT GROUPS SUPPORTED IN VARYING DEGREES THE COMMENTS MADE BY KLEPSCH AND NORMANTON. BRITISH CONSERVATIVE RIPON, FOR EXAMPLE, ARGUED THAT THE EC NINE'S FAILURE TO ACT TOGETHER HAS ERODED EUROPEAN INDUSTRIAL CAPABILITY, AND HE NOTED LIKE KLEPSCH THAT IT IS NECESSARY TO MATCH U.S. TECHNOLOGY AND MARKETS, WHICH CAN ONLY BE DONE THROUGH A COMMON POLICY. LIBERAL GROUP SPEAKERS SHARED THESE VIEWS, WITH DUTCH MP BERKHOWER EXPRESSING HIS FEAR THAT EUROPE WILL ULTIMATELY BE UNABLE TO COMPETE INDUSTRIALLY WITH THE U.S.

5. THERE WAS, HOWEVER, STRONG OPPOSITION TO THE KLEPSCH REPORT. FOCUSING PRIMARILY ON WHAT THEY PERCEIVED TO BE

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FRB-03 INR-10 NSAE-00 SP-02 STR-07 TRSE-00 LAB-04
SIL-01 OMB-01 DODE-00 PM-05 L-03 ACDA-12 PA-01
SS-15 ICA-11 /102 W
-----079354 151809Z /47

R 151658Z JUN 78
FM AMEMBASSY BRUSSELS
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THE IMPLICATIONS OF THE REPORT FOR SECURITY POLICY, THE OPPONENTS, LED BY THE SOCIALISTS, ARGUED THAT THE QUESTION CLEARLY IS OUTSIDE COMMUNITY COMPETENCE AND THAT MATTERS OF DEFENSE SHOULD PROPERLY BE DISCUSSED BY NATO OR WITHIN INDIVIDUAL MEMBER STATE GOVERNMENTS. THEY FURTHER QUESTIONED THE NOTION THAT A COMMON EC APPROACH IN FOREIGN POLICY MATTERS NECESSARILY IMPLIES A COMMON APPROACH TO DEFENSE.

6. IN COMMENTING ON THE KLEPSCH REPORT, COMMISSIONER DAVIGNON CONFINED HIMSELF TO THE RESOLUTION CONTAINED THEREIN, WHICH CALLS ON THE COMMISSION TO SUBMIT TO THE

COUNCIL A EUROPEAN ACTION PROGRAM FOR THE DEVELOPMENT AND PRODUCTION OF CONVENTIONAL ARMAMENTS WITHIN THE FRAMEWORK OF A COMMON EC INDUSTRIAL POLICY. ACKNOWLEDGING THE IMPORTANCE OF THE QUESTION, DAVIGNON POINTED OUT THAT THE COMMISSION FEELS THAT THE EC TREATIES DO NOT SPECIFICALLY EXCLUDE QUESTIONS OF DEFENSE AND SECURITY FROM THE SCOPE OF THE COMMUNITY'S RESPONSIBILITIES. WHILE ARGUING THAT LIMITED OFFICIAL USE

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THERE IS A CORRELATION BETWEEN CIVILIAN AND MILITARY INDUSTRIAL POLICIES, HE NOTED THAT THIS INTER-RELATIONSHIP NEEDS TO BE CAREFULLY EXAMINED. IN ADDRESSING HIMSELF SPECIFICALLY TO THE RESOLUTION SUBMITTED BY THE EP POLITICAL COMMITTEE, DAVIGNON SAID THAT THE COMMISSION WILL HAVE FIRST TO EXAMINE THE RANGE AND VOLUME OF ITEMS BEING MADE IN THE MILITARY AND CIVILIAN SECTORS IN THE MEMBER STATES AND THEN WILL HAVE TO MAKE A DECISION REGARDING THOSE ACTIVITIES WHICH COULD BE CARRIED OUT IN COMMON TO STRENGTHEN THE EC INDUSTRIAL SYSTEM. HE WARNED, HOWEVER, THAT ONLY MILITARY AUTHORITIES, AND NOT THE COMMUNITY, CAN DETERMINE THE TYPE OF MILITARY EQUIPMENT THAT WILL BE NEEDED FOR EUROPEAN DEFENSE. HE CONCLUDED BY SAYING THAT THE COMMISSION WILL WORK VERY CLOSELY WITH THE EUROPEAN PARLIAMENT IN DEVELOPING A RECOMMENDED POLICY ON EUROPEAN ARMS PROCUREMENT.

7. THE DEBATE CONCLUDED WITH THE ADOPTION JUNE 14 OF THE KLEPSCH REPORT IN WHICH THE SOCIALISTS AND FRENCH COMMUNISTS VOTED AGAINST, AND THE EUROPEAN PROGRESSIVE DEMOCRATS ABSTAINED. END UNCLASSIFIED.

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8. COMMENT: PARLIAMENT'S ADOPTION OF THE KLEPSCH REPORT PROBABLY HELPS TO INSURE THAT THE IDEA OF SOME DAY DEVELOPING A COMMON COMMUNITY ARMS PRODUCTION/PROCUREMENT POLICY WILL BE KEPT ALIVE IN EC CIRCLES. HOWEVER, GIVEN THE DIVERSE VIEWS AMONG MEMBER STATES AND WITHIN THE EC COMMISSION, WE WOULD NOT EXPECT NOTABLE PROGRESS IN THAT DIRECTION IN THE FORESEEABLE FUTURE (REFS A AND C). END LIMITED OFFICIAL USE. HINTON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ALLIANCE, ARMS, PROCUREMENT, COMMUNITY RELATIONS, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 15 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE11859
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780250-1012
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780657/aaaabxci.tel
Line Count: 214
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: fea26088-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 BRUSSELS 10596, 78 BRUSSELS 10480, 78 BRUSSELS 4160
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2343827
Secure: OPEN
Status: NATIVE
Subject: EUROPEAN PARLIAMENT DISCUSSES EUROPEAN ARMS PROCUREMENT COOPERATION
TAGS: PEPR, MMOL, EEC
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/fea26088-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014